



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10

1200 Sixth Avenue, Suite 900
Seattle, WA 98101-3140

OFFICE OF
REGIONAL COUNSEL

April 8, 2010

Kevin J. Beaton
Stoel Rives LLP
101 S. Capitol Boulevard, Suite 1900
Boise, Idaho 83702

Re: Administrative Settlement Agreement and Order on Consent
Docket No. CERCLA-10-2008-0135 – Avery Landing Site

Dear Mr. Beaton:

This correspondence is provided in response to your letter dated March 30, 2010. As confirmed in your letter, due primarily to an excess of deficiencies in the draft Engineering Evaluation/Cost Analysis ("EE/CA") report submitted by Potlatch Corporation and Potlatch Forest Products Corporation (together referred to as "Potlatch"), the United States Environmental Protection Agency ("EPA") will be completing the EE/CA report for the Avery Landing Site ("Site"). EPA will also be producing the Biological Assessment ("BA") and Cultural Resources Evaluation ("CRE") reports for the Site.

EPA took the time that was needed to conduct a thorough and careful review of the draft EE/CA report. The duration of this period increased as a direct result of having been provided with an extremely inadequate document. The initial focus of EPA was to develop a set of comments and corrections to the draft report, but it eventually became apparent that the numerous defects, omissions, and other shortcomings would necessitate almost a complete re-writing of the draft report. It was then concluded that the most efficient recourse would be for EPA to complete the report.

There have been instances of delay and a lack of cooperation by Potlatch during the course of the past year. Potlatch pursued a formal dispute with EPA in a failed attempt to limit both quality assurance controls as well as the extent of contaminants to be examined at the Site. The resources expended during this period of dispute came after EPA had already devoted time and effort toward providing Potlatch with the precise changes needed to produce an acceptable investigation plan. In addition, without providing advanced notice to the regional office, Potlatch convened a meeting with personnel from the headquarters office of EPA in an apparent attempt to secure some sort of limit on the extent of the liability of Potlatch for the Site. This effort resulted in more EPA resources being expended for the Site. Then there has been a problem in abiding by the terms of the Administrative Settlement Agreement and Order on Consent ("ASAOC"), including failures to produce written monthly progress reports and secure access to property as specified in the ASAOC. In each instance, EPA has needed to take the extra time to contact Potlatch in order remind the company of its responsibilities under the ASAOC.

The history reveals that in order to avoid further disagreement and delay, and the costs associated therewith, the extensive amount of work that is needed to turn the draft EE/CA report into an acceptable work product will be more efficiently and effectively accomplished by EPA. It is simply no longer the case that this work will be "properly and promptly" performed by Potlatch as dictated by Section 104(a) of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9604(a).

When we spoke by telephone on March 25, 2010, I informed you that it would assist EPA to have Potlatch provide EPA with the underlying information that was relied on by Potlatch for producing the draft EE/CA report. In an electronic message to me dated April 5, 2010, you indicated that the requested files would be sent to me within the next few days. I have yet not received any of the requested information. The following is a summary of the information requested by EPA:

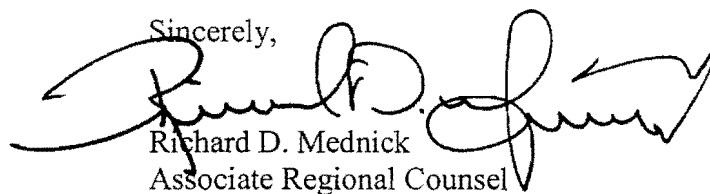
"All data files used to prepare the report text, tables, and figures, and appendices, including Word, Excel, drawing, and computer-assisted drawing (CAD) files, to include, but no limited to: any available electronic data deliverables for analytical results; spreadsheets used for the alternatives evaluation cost estimate; and spreadsheets used for the risk evaluation calculations. And the following reference: Hart Crowser, May 2, 1994. *Implementation Work Plan and Revised Costs for Recovery System, Avery Landing, Idaho.*"

Please let know the status of the response from Potlatch. Obviously, the sooner Potlatch provides the requested information, the sooner EPA will be able to complete the EE/CA report.

Lastly, although Potlatch has been relieved of the obligations to produce the EE/CA, BA and CRE reports, Potlatch remains obligated to comply with all other aspects of the ASAO.

Please let me know if you have any questions about these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard D. Mednick", with a large, stylized flourish extending to the right.

Richard D. Mednick
Associate Regional Counsel

cc: Earl Liverman, EPA